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C O N F I D E N T I A L SECTION 01 OF 03 TOKYO 005101

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TAGS: [PREL](#) [AAP](#)
SUBJECT: DAS CHRISTENSEN'S OCTOBER 21 MEETING WITH ASIAN AFFAIRS DDG KOHARA

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Classified By: Ambassador J. Thomas Schieffer for reasons 1.4 (b) and (d).

¶1. (C) Summary: Japan and China are both working hard to find common ground, MOFA's Asian Affairs Deputy Director General told EAP DAS Tom Christensen October 21. Although many conflicts remain, including territorial disputes, the two countries are seeking to develop a "mutually beneficial relationship." This warming of ties gives Japan a chance to address its concerns about the economic situation in China, including IPR protection, environmental issues, and aid transparency. Japan's position on Taiwan remains unchanged, and Japan is unlikely to join the United States in publicly criticizing the DPP referendum on applying to join the UN under the name of Taiwan. End Summary.

--Japan's relations with China are warming--

¶2. (C) Japan and China are working to establish a "mutually beneficial relationship based on common interests," Deputy Director General for Asian and Oceanian Affairs Masahiro Kohara told Deputy Assistant Secretary for East Asian and Pacific Affairs Tom Christensen during a October 21 meeting. This stands in sharp contrast to relations during the Koizumi administration, which were at "an all time low" due to the former Prime Minister's visits to Yasukuni Shrine.

¶3. (C) Former Prime Minister Abe's visit to Beijing last year marked the beginning of what has been a steady improvement, centering on the exchange of high-level visits, Kohara continued. Prime Minister Fukuda is tentatively scheduled to visit China this year, and if Chinese President Hu Jintao comes to Japan next spring as planned it will be the first time in ten years. Discussions are also underway for an exchange of economic ministers.

¶4. (C) In addition to these high-level visits, people-to-people exchanges are more common than ever, Kohara said. The two countries are coordinating a variety of sports exchanges, and Japan invites over two thousand young Chinese students to attend Japanese schools each year, both examples of programs that have made a dramatic improvement on the image of Japan among young Chinese people. This year marks

the 35-year anniversary of normalization between Japan and China, and next year will be the 30th anniversary of the Japan-China Treaty of Peace and Friendship, Kohara observed. Although next year will also be the 70th anniversary of the Nanking Incident, Japan is hoping that the two countries can rely on these people-to-people exchanges to keep the focus on the more positive 30th anniversary.

¶ 15. (C) The United States welcomes the warming of Japan-China relations, DAS Christensen replied, including Abe's visit to Beijing as well as Japan's strategy for future relations. The U.S.-Japan alliance is solid, and U.S. officials are not worried about Japan developing closer ties to China. Likewise, Japanese officials should not see U.S. engagement with China as a threat to Japan's relationship with the United States: regional relationships are not a zero-sum game. The U.S. purpose in engaging China is to "shape China's choices." Kohara agreed that the U.S.-Japan relationship is strong, thanking DAS Christensen for U.S. support in addressing the DPRK abductions issue. DAS Christensen assured Kohara that EAP A/S Hill takes the abductions issue "very seriously."

--But territorial disputes remain--

¶ 16. (C) Japan and China have agreed to "seek joint development" in the East China Sea, but differences over national boundaries remain difficult to overcome, Kohara explained. The two countries completed their 10th consultation over border demarcation two weeks ago without any substantial developments. China's adherence to the "natural prolongation" theory is the biggest obstacle to progress, and is not compliant with international law. Japan is ready to bring the dispute before an international body, confident in its legal position that delimitation should be based on the median 200 nautical mile-entitlement. The fact

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that China has resisted resolving the case through a third-party organization indicates their lack of confidence in their own position, Kohara opined.

¶ 17. (C) Vietnam is also struggling with China over maritime borders, DAS Christensen replied. Although there is tremendous potential for collaboration on energy and environmental issues in the region, these disputes render such cooperation difficult. The Vietnamese are particularly concerned about China's expansive claims in the South China Sea, which draw maritime borders almost all the way up to the Japanese coast, as far south as Indonesia, and as far East as the Philippines. The Vietnamese refer to this giant sweeping arc as "the Cow's Tongue." The United States has no official position on the sovereignty disputes, but does find the Chinese claims to be so expansive as to be hard to consider reasonable.

--Next Steps for Economic Relations--

¶ 18. (C) Japan intends to discuss four major issues with China during high-level economic dialogue this December, Kohara noted. In addition to conveying Japanese concerns about a possible bubble economy in China, the Japanese representative will request that China take action to improve its business environment. Specifically, Japan would like to see more stringent enforcement of intellectual property rights protection at the local level. Japan will also address environmental issues with China, attempting to draw it into the post-Kyoto Protocol framework. Finally, Japan will raise development assistance transparency, probably at the Director General level. The United States is also closely monitoring China's aid strategy in the developing world, replied DAS Christensen, noting that the Chinese Foreign Ministry has a surprisingly small role in China's aid policy.

--Developments in the Chinese Leadership--

¶9. (C) Japanese officials will be "closely watching" the new Chinese leadership announced during the first plenum of the 17th Communist Party of China Central Committee, Kohara told DAS Christensen. Kohara noted in particular the rapid ascendancy of Xi Jinping and Li Keqiang who had both "jumped rank" to join the Political Bureau Standing Committee. These two newcomers to the Standing Committee might be frontrunners to succeed Hu Jintao as president when his term expires in five years, Kohara predicted. In the meantime, the official adoption of Hu Jintao's "Scientific Outlook on Development" policies will significantly boost his authority and prestige during the rest of his administration. Regardless of who is in power, Chinese leaders will continue to wrestle with the dilemma of trying to suppress dissent while still being responsive to the needs of the people. Government crackdowns on the media are still common, and restiveness in China's provincial areas remains a problem.

--Taiwan--

¶10. (C) Japan adheres to the position established in the 1972 Japan-China Joint Communique regarding Taiwan, and will not support Taiwan's membership in the United Nations, affirmed Kohara. Japan has conveyed its position that unilateral attempts to resolve the issue are unacceptable. The international community "should take note" that President Hu Jintao did not mention the use of force towards Taiwan in his statement before the 17th Congress, which indicates the current Chinese government's relatively moderate position. Japan will continue to "encourage a calm attitude" with both sides, pushing them to achieve a peaceful resolution through direct dialogue, Kohara said.

¶11. (C) The United States has publicly criticized the DPP referendum on applying to join the UN under the name of Taiwan, and hopes Japan will do the same, DAS Christensen stated. U.S. officials appreciate Japan's position, but would like to see Japan join the United States in explaining to the people of Taiwan why these types of provocative political initiatives are not in Taiwan's long-term interest. The United States does not expect this to change Taiwan

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President Chen Shui-bian's stance, but rather intends the public statement to convince Taiwan's public that passage of such a referendum would make Taiwan's foreign relations more difficult. The statement is also intended to reduce concerns on the mainland about the potential for U.S. backing of Chen's initiatives. This policy approach will likely be more effective than trying to directly influence President Chen Shui-bian. A statement from Japan to the same effect would be "very helpful," because many of Taiwan's citizens take Japan-Taiwan relations very seriously.

¶12. (C) It is important to maintain contact with Taiwan's leaders, Kohara replied, and the referendum is merely a political tool. Because the referendum does not have legal implications, it does not matter, China and Mongolian Affairs Director Takeo Akiba added. Japan must save its political capital for "more important issues," Akiba continued. Calling for the Taiwanese public to reject the referendum is tantamount to interfering in domestic politics. Preventing the referendum from passing is not critical to maintaining the peace, and "runs the risk of pushing President Chen Shui-bian's Democratic Progressive Party into a corner," Akiba finished.

¶13. (C) President Chen Shui-bian is quick to interpret silence as support for Taiwan's independence, replied DAS Christensen. For example, President Chen claimed that when President Bush did not mention Taiwan's bid for UN membership in his speech at APEC, he was demonstrating his support. Japan's public silence gives President Chen ammunition to announce that the United States is isolated in opposing his pro-independence activities.

~~¶~~14. (U) This cable was cleared by DAS Christensen.
SCHIEFFER